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**HOUSE OF REPRESENTATIVES**

**REGULAR SESSION OF 2012**

***ROUGH DRAFT***  
***JOURNAL***

**TWENTY-NINTH DAY**

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**OFFICE OF THE CHIEF CLERK**

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## TWENTY-NINTH DAY

Monday, March 12, 2012

The House of Representatives of the Twenty-Sixth Legislature of the State of Hawaii, Regular Session of 2012, convened at 12:04 o'clock p.m., with Speaker Say presiding.

The invocation was delivered by Representative Angus L.K. McKelvey, after which the Roll was called showing all Members present with the exception of Representatives Carroll, Ching, Mizunio, Pine and Wooley, who were excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the Twenty-Eighth Day was deferred.

## GOVERNOR'S MESSAGES

The following message from the Governor (Gov. Msg. No. 1106) was received and announced by the Clerk and was placed on file:

Gov. Msg. No. 1106, informing the House that on March 09, 2012, the following bill was signed into law:

H.B. No. 2096, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY." (ACT 006)

## INTRODUCTIONS

The following introduction was made to the Members of the House:

Representative Chang introduced his friends, Mr. Randy Avon and Mr. Larry Behar of Ft. Lauderdale, Florida.

## ORDER OF THE DAY

INTRODUCTION OF RESOLUTIONS  
(FLOOR PRESENTATIONS)

The following resolution (H.R. No. 70) was announced by the Clerk and the following action taken:

H.R. No. 70, entitled: "HOUSE RESOLUTION CONGRATULATING AND RECOGNIZING THE MILILANI HIGH SCHOOL BOYS VARSITY SOCCER TEAM FOR WINNING THE 2012 STATE AND OAHU INTERSCHOLASTIC ASSOCIATION RED DIVISION BOYS VARSITY SOCCER CHAMPIONSHIPS," was jointly offered by Representatives M. Lee and Yamane.

Representative M. Lee moved that H.R. No. 70, be adopted, seconded by Representative Yamane.

Representative Yamane congratulated the 2012 State Champion, Mililani High School Boys Varsity Soccer Team, and introduced the Team Captains seated on the Floor of the House: Mr. Jake Sagami, Mr. Renato Torquato and Mr. Dug Curren.

Representative Yamane also recognized other members of the 2012 Mililani High School Boys Soccer Team seated in the Gallery and their coaching staff: Head Coach Mr. Jeff Yamamoto, Mr. Steve McGehee, Mr. Blane Ogawa, Mr. Ian Hasegawa, Mr. Darren Smith and Mr. Tim Liu.

Representative M. Lee then congratulated the 2012 OIA Champions, Mililani High School's Boys Wrestling Team, and the Girls Wrestling Team led by Coach Sam Lee on a successful season and their Trojan fighting spirit.

Representative M. Lee then introduced State Champion wrestlers Mr. Brayden Akeo and Ms. Quinn Nagatani who were seated on the Floor of the House, representing the Boys and Girls Wrestling Teams.

Representative M. Lee also introduced State Champion Ms. Morgan Yamaguchi of the Mililani High School Girls Wrestling Team, and her mother, Mrs. Yamaguchi, who were seated in the Gallery.

The motion was put to vote by the Chair and carried, and H.R. No. 70, was adopted, with Representatives Carroll, Saiki and Wooley being excused.

The following resolution (H.R. No. 71) was announced by the Clerk and the following action taken:

H.R. No. 71, entitled: "H.R. No. 71, entitled: "HOUSE RESOLUTION CONGRATULATING GLENN LEE AS THE 2011 HAWAII MILKEN EDUCATOR OF THE YEAR; SARAH WAGNER-DORICH AS THE 2011 HAWAII MILKEN EDUCATOR TEACHER OF PROMISE; TOM KURASHIGE AS THE RECIPIENT OF THE 2011 MASAYUKI TOKIOKA EXCELLENCE IN SCHOOL LEADERSHIP AWARD; KAREN IKEMOTO AS THE RECIPIENT OF THE FRIENDS OF THE LIBRARY OF HAWAII'S 2011 LIBRARIAN OF THE YEAR AWARD; TERI KING-AGAN, ROFINA RIVERA, AND RANDY SOTSUDA AS FRIENDS OF THE LIBRARY OF HAWAII'S 2011 EXCELLENCE IN SERVICE AWARDEES; AND ELDEN SETA AS THE 2012 NATIONAL BANDWORLD LEGION OF HONOR LAUREATE," was offered by Representative Takumi.

Representative Takumi moved that H.R. No. 71, be adopted, seconded by Representative Belatti.

Representative Takumi introduced the following honoree who was seated on the Floor of the House:

Mr. Glen Lee, Waialua High and Intermediate School career and technical educator, the 2011 Hawaii Milken Educator of the Year. Accompanying Mr. Lee was his wife, Mrs. Auria Lee, who was seated in the Gallery.

Representative Belatti then introduced additional honorees seated on the Floor of the House:

Ms. Sarah Wagner-Dorich, Kapunahala Elementary School kindergarten teacher, and 2011 Milken Educator of Promise. Accompanying Ms. Wagner-Dorich was Mr. Andrew Dorich, Ms. Rena Motoyama and Ms. Kristi Ingel, who were seated in the Gallery.

Mr. Tom Kurashige, Aiea Intermediate School Principal, and recipient of 2011 Masayuki Tokioka Excellence in School Leadership Award.

Ms. Karen Ikemoto, Hanapepe Public Library, recipient of the Friends of the Library of Hawaii's 2011 Librarian of the Year Award. Accompanying Ms. Ikemoto was her brother and sister-in-law, Mr. Eric Igeta and Ms. Karen Lee Igeta, who were seated in the Gallery.

Ms. Teri King-Agan, Keaau Public and School Library, recipient of the Friends of the Library of Hawaii's 2011 Excellence in Service Award. Accompanying Ms. King-Agan was Mr. Lee Gordon, who were seated in the Gallery.

Mr. Elden Seta, Moanalua High School Music Director, the 2012 National Bandworld Legion of Honor Laureate.

Representative Belatti also introduced Mr. David Wu, Department of Education Assistant Superintendent for the Office of information Technology who was seated in the Gallery.

The motion was put to vote by the Chair and carried, and H.R. No. 71, was adopted, with Representatives Carroll, Saiki and Wooley being excused.

At 12:27 o'clock p.m. the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:52 o'clock p.m., with Vice Speaker Manahan presiding.

### SUSPENSION OF RULES

On motion by Representative Evans, seconded by Representative Pine and carried, the rules were suspended for the purpose of considering certain House Bills for Third Reading by consent calendar. (Representatives Carroll and Chang were excused.)

### UNFINISHED BUSINESS

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 964-12) recommending that H.B. No. 1800, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1800, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," passed Third Reading by a vote of 49 ayes, with Representatives Carroll and Chang being excused.

At 12:53 o'clock p.m., the Chair noted that the following bill passed Third Reading:

H.B. No. 1800, HD 2

### REPORTS OF STANDING COMMITTEES

Representative Chang, for the Committee on Water, Land, & Ocean Resources presented two reports:

(Stand. Com. Rep. No. 966-12), recommending that H.R. No. 16, be referred to the Committee on Finance; and

(Stand. Com. Rep. No. 967-12), recommending that H.C.R. No. 23, be referred to the Committee on Finance.

Representative Chong moved that the reports of the Committee be adopted, and that H.R. No. 16; and H.C.R. No. 23, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the reports of the Committee were adopted and H.R. No. 16, entitled: "HOUSE RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT COVERING A PORTION OF STATE SUBMERGED LANDS AT LAHAINA, MAUI, FOR MAINTENANCE AND REPAIR OF EXISTING DECK AND IMPROVEMENTS," was referred to the Committee on Finance, with Representatives Carroll and Chang being excused; and

H.C.R. No. 23, entitled: "HOUSE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT COVERING A PORTION OF STATE SUBMERGED LANDS AT LAHAINA, MAUI, FOR MAINTENANCE AND REPAIR OF EXISTING DECK AND IMPROVEMENTS," was referred to the Committee on Finance, with Representatives Carroll and Chang being excused.

Representatives Chang and Cabanilla, for the Committee on Water, Land, & Ocean Resources and the Committee on Housing presented a report (Stand. Com. Rep. No. 968-12), recommending that H.C.R. No. 25, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committees be adopted, and that H.C.R. No. 25, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Jordan rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Awana rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and H.C.R. No. 25, entitled: "HOUSE CONCURRENT RESOLUTION APPROVING THE SALE OF THE LEASED FEE INTEREST IN 619 KULIOUOU ROAD, HONOLULU, HAWAII," was referred to the Committee on Finance, with Representative Hanohano voting no, and with Representatives Carroll and Chang being excused.

Representatives Chang and Cabanilla, for the Committee on Water, Land, & Ocean Resources and the Committee on Housing presented a report (Stand. Com. Rep. No. 969-12), recommending that H.C.R. No. 26, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committees be adopted, and that H.C.R. No. 26, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Awana rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Jordan rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Pine rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and H.C.R. No. 26, entitled: "HOUSE CONCURRENT RESOLUTION APPROVING THE SALE OF THE LEASED FEE INTEREST IN 644 HOKIOKIO PLACE, HONOLULU, HAWAII," was referred to the Committee on Finance, with Representative Hanohano voting no, and with Representatives Carroll and Chang being excused.

Representatives Chang and Cabanilla, for the Committee on Water, Land, & Ocean Resources and the Committee on Housing presented a report (Stand. Com. Rep. No. 970-12), recommending that H.C.R. No. 27, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committees be adopted, and that H.C.R. No. 27, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Awana rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Jordan rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Pine rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and H.C.R. No. 27, entitled: "HOUSE

CONCURRENT RESOLUTION APPROVING THE SALE OF THE LEASED FEE INTEREST IN 2314 10TH AVENUE, HONOLULU, HAWAII," was referred to the Committee on Finance, with Representative Hanohano voting no, and with Representatives Carroll and Chang being excused.

Representatives Chang and Cabanilla, for the Committee on Water, Land, & Ocean Resources and the Committee on Housing presented a report (Stand. Com. Rep. No. 971-12), recommending that H.C.R. No. 28, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committees be adopted, and that H.C.R. No. 28, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Awana rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Jordan rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Pine rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and H.C.R. No. 28, entitled: "HOUSE CONCURRENT RESOLUTION APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-557 KAMANAAINA PLACE, WAIMANALO, HAWAII," was referred to the Committee on Finance, with Representative Hanohano voting no, and with Representatives Carroll and Chang being excused.

Representatives Chang and Cabanilla, for the Committee on Water, Land, & Ocean Resources and the Committee on Housing presented a report (Stand. Com. Rep. No. 972-12), recommending that H.C.R. No. 31, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committees be adopted, and that H.C.R. No. 31, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Awana rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Jordan rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Pine rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and H.C.R. No. 31, entitled: "HOUSE CONCURRENT RESOLUTION APPROVING THE SALE OF THE LEASED FEE INTEREST IN 95-017 KUAHELANI AVENUE, NO. 321, MILILANI, HAWAII," was referred to the Committee on Finance, with Representative Hanohano voting no, and with Representatives Carroll and Chang being excused.

### THIRD READING

#### H.B. No. 2012, HD 1:

Representative Chong moved that H.B. No. 2012, HD 1, pass Third Reading, seconded by Representative Evans.

Representative Ward rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I rise with mild reservations. You might be asking, why would someone have mild reservations about this budget? Two reasons. The first is I think it's best seen as a *kabuki* play. Behind the scenes a lot of things are going on. Behind this budget are a lot of fees that are propping up this budget. Fees that we don't see, but fees that are quite large, particularly in DCCA.

"And that leads, Mr. Speaker, to my second issue of concern, and that is, DCCA has unbeknownst to many been awarded \$75,000 for a task force. The task force is to study the state bank of which, as many of you know, I've stood up time and time again and said that this is too costly to start. Too risky to run. Too uncertain. That buying toxic mortgages with taxpayers' money is sure to go nowhere.

"Everybody's already heard that, but no one knew that this was going to be snuck into the budget. So procedurally speaking Mr. Speaker, I question, why would this have to be done without the public hearing, or the public acknowledgement, and then some of us learning it at the end.

"I think Shakespeare said something to the effect that, transparency is made of sterner stuff. We can be more open about this. But I applaud the Chair for having a conference call. It's going to be with the North Dakota Banking Executive and that's good. I understand that FACE is going to have a rally for the state bank. There's momentum.

"But now this is costing us a little bit of money. Everyone voted for the issue here on Third Reading, etc., when it was just a task force, Mr. Speaker, there many task forces that are free. Some of them cost some money. \$75,000 is not a lot of money, but in terms of questioning the procedure, who knows what may have entered into this process. So, with those reservations I would say, earmarks at the federal level are no longer acceptable. They seem to be alive and well at the local level. And those are my reservations."

Representative Oshiro rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in support of House Bill 2012, House Draft 1. Mr. Speaker, a document as encompassing as the budget is certainly not the work of one person, but the collective vision and effort of many people. It is truly a statement of our priorities as we emerge from the greatest recession our country and State has ever faced, and is truly with the *mana'o* and thoughts and impressions of many that has made House Draft something we can all be proud to adopt.

"Mr. Speaker, this budget is the product of the *mana'o* of the Governor, his Cabinet, and numerous State employees. Your invaluable support and guidance of the Leadership team, the wisdom and experience of House Committee Chairs. The collective input of the members of the Finance Committee, and the analysis and contribution of the Finance Committee Staff. They have taken to heart, Mr. Speaker, your mantra, to take it slow and steady and continue on the course we set last year.

"But before I proceed in speaking in support of the budget before us, please allow me some leeway so that I may traditionally and customarily use some time to thank those countless volunteers and supporters who spent much time in preparing what lies before us.

"First and foremost I must thank my Vice-Chair, Representative Marilyn Lee, who led the hearings in my sometimes long absence, keeping members on task and maintaining decorum, and ensuring an open public forum for all voices and viewpoints. Her disarming and kind demeanor never failed to amuse and empower us as we enter the final stretch of our marathon hearings. As she repeatedly said to me, sometimes between spontaneous bursts of laughter, 'To laugh is good, and healthy too.'

"Her nurturing touch sustained our cordiality and good will. And Mr. Speaker a finer first mate no one could want, nor desire. But I was most impressed by how she did all of this despite her recent personal loss of her husband and soul mate, the late Sam Lee. But having worked with

Representative Lee before I even worked with Marilyn, I can hear him say, 'Well, you know how she is. That's just Marilyn.'

"Next I must thank the Committee members for their hard work and dedication towards developing meaningful fiscal policy solutions. To our veteran members, your institutional knowledge and insight have helped drive and analyze the key issues. To our freshman members, your refreshing inquisitiveness has brought new light to discussions. And to my Minority members, your often contrary views prompted lively debates, and engaging and fruitful discussions. Thank you for participating with us.

"And thank you also to the Committee Chairs for your direct participation, advice, and counsel. Thank you for allowing us the important task of hauling out the carrion and burying the many dead bills. The Finance Committee needs to maintain our reputation as a graveyard of interest and ideas, and with your generous assistance we have expanded our holdings and final dispositions. For those that took advantage of our 'Second Chair' seat, your presence and participation at our hearings both enlightened, and at times entertained us.

"And finally, Mr. Speaker I must thank my Finance staff for their hard work and diligence in the review of bills and budgets, and in crafting a well thought out product. Our permanent and session staff includes, and I'll ask them to stand and remain standing till they're all recognized. So please stand, Finance Staff:

Jo Hamasaki, Karen Horita, Puna Chai, Susan Fernandez, Erik Abe, Randall Hiyoto, Stacey Tagala, Nandana Kalupahana, Lucia Phan, Maria Millon, Midori Hirai, Bill Gillespie, Maryanne Takahashi, Meagan Shimizu, Erin Ebisuya, Daniel Kikkawa, Napualani Young, Karissa Look, Matthew Tsujimura, Micah Munkata, and Michael Ong.

"Members, please a round of applause for our Finance Staff."

Representative Rhoads rose to yield his time, and the Chair "so ordered."

Representative Oshiro continued, stating:

"Mr. Speaker, I'm reminded of a quote I read from one of our contacts at the National Conference of State Legislatures. Many of you recently visited with Corina Eckl, NCSL's Hawaii liaison and former Director of the Fiscal Affairs Program. Her successor in the Fiscal Affairs Program, Arturo Perez, was recently quoted in *Bloomberg News* with, perhaps an apt description of what we and all states have been experiencing the past four years. In Arturo's words:

State revenues fell like a bowling ball and they have bounced back, much like a bowling ball.

"On March 7, 2012, at the same time that we were voting on this budget, the Council on Revenues was meeting to update their revenue projections. They revised the revenue projection for fiscal year 2012 upward from 11.5% to 12.0%. Although this is great news, we need to remember that this revised revenue projection is still much lower than the 14.5% revenue growth projection that served as the basis for the Governor's original supplemental budget request, submitted to us.

"Mr. Speaker, this is why we maintain that the steady, deliberate approach to this budget remains a prudent attempt at preparing for the challenges ahead in reprioritizing, rehabilitating, and renewing government services in the years ahead. And that's right. There are 3Rs here – Reprioritizing, Rehabilitating, and Renewing government services with and for our employees and those they serve.

"The short-term and long-term goals of this budget are to:

Number 1, refine the Administration's budget submittal as a result of current revenue projections;

Number 2, triage targeted programs to ensure that the most basic needs are met, particularly in human services and agriculture;

Number 3, provide structural stability to the State's financial plan in meeting long-term unfunded liabilities; and

Number 4, support long-term planning and accountability efforts to fundamentally change the character and delivery of government services.

"Mr. Speaker, please don't get me wrong. I welcome the good news of the Council on Revenues last week, but we all know how fragile this economy and recovery can be. Like the wanderer in the desert who thirsts for water, we should not be fooled by the mirage of abundant resources to pay for everything under the sun. The latest revised projection of the Council on Revenues seems to have made all our problems disappear, but we need to remember that these are revenue projections and not cold hard cash. Many things can happen in 18 months.

"In addition, Mr. Speaker, to spend more money simply to restore programs that were cut in the past four years is overly simplistic and not the right thing to do. To do so means that we have not learned the lessons of the recession from which we will emerge. It will be the hardest thing to do in the face of fairly robust revenue projections, but we must show restraint. Let us keep in mind that we are barely addressing longer term liabilities of our public workers' pension system, the ERS, and health insurance cost of the Employer Union Trust Fund. These are commitments that we need to maintain and deliver on for both current and retired workers.

"Additionally, Mr. Speaker, we have yet to fully review additional funding requests made in the four Governor's Messages we were not able to vet properly or thoroughly. These messages include approximately:

\$5 million for increased electricity;

35 positions for the Justice Reinvestment Initiative; and

About \$3 million for a new computer-based Medicaid Eligibility System.

"Mr. Speaker, we must always evaluate comprehensively, consider deliberatively, and fund carefully each and every program. Options to spend more here, spend more there, as well as save more here, and save more there will be realized if these projections hold through. But, yes, there are some new expenditures in this budget and we demonstrate our support for this Administration's 2011 Program Review and some elements of the Governor's New Day initiatives.

"For example, we are appropriating:

\$250,000 for the Early Learning Council;

\$250,000 for Early Childhood Obesity and Diabetes Prevention Program;

About \$3 million for the first year of a 10 year initiative to help protect and restore forested watersheds on State lands."

Representative Awana rose to yield her time, and the Chair "so ordered."

Representative Oshiro continued, stating:

"Thank you.

About \$3 million to restore forested watersheds on State lands and secure Hawaii's water supply;

About \$1 million as seed capital for the elevator boiler program;

\$400,000 for aging and disability resource centers to roll out a coordinated system of information and access to services, starting on Kauai; and

\$30 million, Mr. Speaker, for IT and broadband initiatives.

"The budget before you proposes to triage targeted programs to serve immediate, critical needs. Mr. Speaker, I look forward to examining the IT plan due in early July, for I believe this initiative could fundamentally transform government services. What's different about this initiative and ones we've seen in the past is that this recognizes that computerizing inefficiency or obsolete systems doesn't mean we will come out with better services. It simply means we are automating bad systems, and perhaps getting worse.

"The biggest challenge for this initiative is taking a hard, comprehensive look at State programs and services to see what needs to change. Success only comes if we all participate, share our knowledge, and change. And indeed many have come forward and honestly discussed their own shortcomings and needs to change. I commend these public servants. The same principle applies to funding programs and services as our economy improves and expands. We must demand more accountability and transparency.

"Mr. Speaker, the Finance Committee spent the 2011 interim visiting numerous State programs and seeing firsthand the impact of the recession and budget cuts has had upon them. Programs are struggling. Public workers have done more with less, and in many instances gone way beyond the call of duty. But, because of several years of budget cuts, restrictions, furloughs, and lay-offs, services have diminished and the quality of life for many affected. It is in these particular priority areas where we have decided to restore funds and reaffirm our commitment to these basic programs.

"Some key areas are as follows:

33 positions for Medicaid eligibility workers, vocational rehabilitation workers, Supplemental Nutrition Assistance Program fraud investigators, and Youth Services Regional Directors;

\$17 million for Medicaid and for restoring child welfare purchase of service contracts;

\$23 million for Temporary Assistance for Needy Families programs and contracts; and

40 positions across the Department of Agriculture, including plant and pest inspectors, measurement standards inspectors, commodities specialists, to support vital programs.

We have also appropriated \$12 million for the Department of Transportation, and the Department of Land and Natural Resources to address statewide damage from the recent storms, particularly on Kauai.

We have also added \$2.5 million for adult education programs.

And yes, Mr. Speaker. Even \$800,000 for the relocation of 400 *Nene* goose from the Lihue Airport.

"Mr. Speaker, I'm reminded of comments made by President Obama in his inauguration speech four years ago. And I believe they are even more applicable today I quote:

The question we ask today is not whether our government is too big or too small, but whether it works – whether it helps families find jobs at a decent wage, care they can afford, a retirement that is dignified. Where the answer is yes, we intend to move forward. Where the answer is no, programs will end. Those of us who manage the public's dollars will be held to account – to spend wisely, reform bad habits, and do our business in the light of day – because only then can we restore the vital trust between a people and their government.

"Mr. Speaker, your Committee on Finance has accepted its responsibility to craft a supplemental budget constrained by the dynamic and constantly changing fiscal realities thrust upon us. We have not taken the easy route out, but kept on the course set last year as we continued our voyage through and beyond the turbulent waters of The Great Recession. We have not deviated from the course and challenge you set for us. And

we are proceeding slow and steady toward that sustainable future for all of us.

"Mr. Speaker, in closing, the light at the end of the tunnel just got brighter. Let us continue to move forward together. We have proven the wisdom and truth of the Hawaiian proverb – *Pupukahi I Holomua* – 'When we paddle together, the canoe moves forward fast.'"

Representative Hashem rose to yield his time, and the Chair "so ordered."

Representative Oshiro continued, stating:

"Thank you. I look forward to working shoulder-to-shoulder in the trenches with Chair Ige, with all the Members of the House, our counterparts in the Senate, the Governor and his Administration, and the people of Hawaii to forge a more secure and sustainable future. Thank you very much, Members. Thank you very much, Mr. Speaker."

Representative Kawakami rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In strong support. Mr. Speaker, we, the Kauai three would like to emphasize one big part in the budget that means the world to us and to our people back home. The recent storms have created some havoc and the inclusion of the \$12 million to get us back on our feet is greatly appreciated. And because of this, a few *mahalo nui loa* are in order.

"So thank you, Mr. Speaker. Thank you, Vice Speaker, Majority Leader, Majority Floor Leader. To our friends across the aisle, to the Finance Chair who has some strong lungs and can hold his breath for a long time. To our Vice Chair, and again to the brave hearts and the staff of the Finance Committee, thank you, very much, from the bottom of our hearts.

"Kauai is jokingly referred to at times as a separate kingdom, but we have had our fair share of times when we have been knocked down and busted up. And each and every time, we have had the rest of the State to reach out, pick us up, dust us off, and push us forward, lockstep with the rest of the State. And because of this, the Kauai three, from the bottom of our hearts would like to say that on behalf of our people, and on behalf of the *nene* birds, we thank you, very much, Mr. Speaker."

Representative Souki rose to speak in support of the measure, stating:

"Mr. Speaker, first of all I want to thank the Finance Committee and House Leadership, and especially the Chairman, and the CIP person. I don't know if they call them a Subcommittee Chair or CIP man. You have been very generous at looking at the needs for the airport reconstruction, which is very important to Maui and to the State of Hawaii. There's a lot of revenue that comes out from there, and you have included the money in here. You also included money to just about complete the access road, and as people who have been on Maui know how difficult it is to travel on the current Dairy Road that we have.

"I know it wasn't easy for some people, especially one person who provided the access road money. But I admire the fact that he was able to do it. And Mr. Chairman, by the mere fact that the increase is .04 is a salute to you and all the members of the Committee that in this very difficult time, you were able to keep the budget very low and balanced. I think this is going be very good for public consumption. They should understand that the Legislature is taking a serious look as far as governance and the cost of governance is concerned.

"The concern I have, and I already uttered it in the Caucus Room, is that \$50 million for the EUTF might be a bit too high. But I believe it's a good point to begin discussion because a lot of our programs are still running at about 55 to 60% capacity, and at some point in time we'll need to raise it up continually as we find the money.

"So we should look at this more on a balanced approach. We won't be able to solve the liability problem all at one time, but again, Mr. Chairman,

members of the Committee, staff, Leadership, thank you, very much. And you, Mr. Speaker."

Representative Cabanilla rose to speak in support of the measure, stating:

"In strong support, Mr. Speaker. And I would like to thank the Chair of Finance, as well as the members of the Finance Committee for being sensitive to the critical need of our State, and of our people in the area of affordable housing. There's funding for the Housing Finance Development Agency, yes, as well as to the Rental Housing Trust Funds, which is, as you see, one of the things that's being noted in our State, is homelessness. So this will help with the costs, Mr. Speaker, and with the high cost of rent, mortgages and foreclosure for the State. I think this is a very balanced budget that they offered. So with that, I stand in very strong support of this measure."

Representative M. Lee rose to speak in support of the measure, stating:

"Mr. Speaker, I stand in strong support. Mr. Speaker the editorial in yesterday's *Star Advertiser* began with the following quote: 'The real mark of fiscal prudence is not what government does when the red ink is flowing, as it did in the wake of the economic recession. It is the actions taken when the revenues improve, as they have begun to do.'"

"Mr. Speaker, this quote is relevant to the budget passed by the Finance Committee. The budget is no nonsense and has taken steps to deal with upcoming crisis, such as the unfunded liability of the EUTF, by making a down payment on the liability."

"I'm very proud to have been part of the process that all the Finance Committee took part in and I believe that the participation of the members of the Finance Committee and the budget decisions have been rather remarkable. For this, the Chair deserves a great deal of credit."

"I would also like to commend the House Finance staff and the members who gave up their precious time to help develop a budget we can be proud of. It is certainly good news to learn of the upward adjustment forecast by the council on revenues on Wednesday. However, we must stay on course and keep our eyes on future budgets. Therefore, I stand in strong support of this House Bill 2012, which is thoughtful and reflects the prudent stewardship of taxpayer funds we are elected to ensure. For these reasons, I ask the Members' support. Thank you."

Representative Yamashita rose to speak in support of the measure, stating:

"Thank you very much, Mr. Speaker. I rise in support of House Bill 2012 H.D. 1. Thank you, very much. Before I start, I'd also like to thank the Finance Staff, especially Puna Chai, who pulled double duty as our Budget Chief, as well as our CIP Specialist. So, thank you, very much. And the Chair as well for his support going forward, and the Vice Chair and the Members of the Committee."

"Mr. Speaker, as we carefully prepared this CIP budget, we remain conscientious of the immanent need to create jobs, spur economic growth, and also to ensure the long term viability of our State facilities. Mr. Speaker, I believe the CIP budget will do just that. For fiscal year 2013, the budget appropriates \$750 million in GO and GOR, and \$2.47 billion in all means of financing, which is aimed largely to address the shovel-ready projects that will create numerous jobs and opportunities to our construction and service industries. Both of which, suffered greatly over these past few years."

"Therefore Mr. Speaker, included into this budget is over \$300 billion to tackle health, safety, repair maintenance, backlogs, in the Department of Education, and the University of Hawaii, as well as \$80 million to upgrade public housing and community hospitals."

"We also approved nearly \$30 million for the Department of Agriculture and the Department of Land and Natural Resources for their efforts in maintaining irrigation systems, reservoirs, and dams."

"Nevertheless, Mr. Speaker, we are aware of the need to maintain the integrity of the overall State budget and would like to recognize the efforts of the Governor and the Director of Budget and Finance to stabilize the budget profile. I would like to emphasize that these funding levels that are consistent within the Administration's current issuance plan and debt service levels. In other words, Mr. Speaker, this CIP budget will not, I repeat, will not require any additional debt service payments above what is already budgeted."

"Mr. Speaker, through the implementation of numerous projects within this CIP budget, we can help expand Hawaii's economy and address the structural needs of the most critical to maintain our long term viability of our State facilities. It is only through the ongoing maintenance of these facilities of the State that we can continue to provide the programs and services essential to those who need them most. Thank you."

Representative Pine rose to speak in support of the measure with reservations, stating:

"I just want to vote in support with just small reservations, and I'll insert written comments."

Representative Pine's written remarks are as follows:

"Thank you, Mr. Speaker. I stand with reservations on House Bill 2012 HD1, which appropriates funds for operating and capital improvement costs for the Executive Branch. While I support the majority of the bill, I am opposed to the section that allocates \$75,000 for the creation of a State Bank Task Force. In the past, task forces have been able to achieve their missions without spending hard earned taxpayer dollars. It is our duty to our constituents to make fiscal responsibility a priority."

Representative Ching rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I'm just going to rise with a few reservations. There are certainly some very worthy, wonderful things in this budget, many that I do support. But I wanted to incorporate the words of the Minority Leader that the \$75 thousand for the state bank is of concern to me. I ask for additional written comments, please."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in support with reservations of H.B. 2012 HD 1-Relating to the State Budget, which seeks to adjust and request appropriations for Fiscal Biennium 2011-13 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs."

"While I support and appreciate the consideration of many of the programs incorporated into the budget in my district, such as the Hoopono Vocational Rehabilitation for Blind Division, as well as the Rehab Hospital of the Pacific and others, my main concerns regarding the State Budget are the hidden fees and the \$75,000 appropriated to the Department of Commerce and Consumer Affairs to support the efforts of a State Bank Task Force established in House Bill No. 1840, Regular Session of 2012 in order to review, investigate, evaluate, and study the feasibility and cost of establishing a State-owned bank in Hawaii. Thank you."

Representative Belatti rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support, with just a few comments. Really, want to thank the work of the Finance Committee and the staff. I understand the competing priorities and pressures that they face. The budget does reflect a very balanced approach."

"I just wanted to comment specifically on what the Representative of Mililani identified as the down payment on EUTF liability. I think that's an important measure. And as the budget discussions move forward, I hope, just as many of our local residents have learned over the past couple of years, the importance of saving, that we look at refunding, or funding the Hurricane Relief Fund, as well as the Emergency Rainy Day Fund. Thank you, Mr. Speaker."



Representative Ward rose to respond, stating:

"Mr. Speaker, my second time in favor with slight reservations. Mr. Speaker, I commend this Body for the spirit of civility. I've never heard such a mutual admiration, and love fest that was going on, which is good. I just want to add one comment about three caveats, three externalities which we have no control over.

"No matter how hard we've tried, and how great our faith has been, the fact that gasoline prices are increasing, inclining, spiking. If they increase at the rate that they're increasing, the third quarter of this year could really be a downer. So this budget has to take that into consideration.

"Secondly, the saber rattling between Israel and Iran is a very, very, very, very dangerous volatile and unpredictable situation. That's something we have no control over.

"And thirdly, November is a very big variable for this nation and for this State. The elections of November are going to hold back people from hiring or investing because of the uncertainty of that.

"So Mr. Speaker, I don't say that to put a blanket on this love fest, but the reality is that we aren't out of the woods yet, and we have to be very cautious, whether it's the \$50 million for the EUTF, or \$75 thousand for a bank, which by the way the editorial said, to spend your money prudently. Shore up programs that you have. But don't venture into new programs. I couldn't resist but get that other part of the editorial.

"So having said that Mr. Speaker, God willing, everything will be fine. But those three external variables are very, very important to mention."

The motion was put to vote by the Chair and carried, and H.B. No. 2012, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Third Reading by a vote of 47 ayes, with Representatives Carroll, Chang, Hanohano and Wooley being excused.

At 1:27 o'clock p.m., the Chair noted that the following bill passed Third Reading:

H.B. No. 2012, HD 1

#### INTRODUCTION OF RESOLUTIONS

By unanimous consent, the following resolutions (H.R. Nos. 66 through 69) and concurrent resolutions (H.C.R. Nos. 93 through 99) were referred to Printing and further action was deferred:

H.R. No. 66, entitled: "HOUSE RESOLUTION REQUESTING THE UNIVERSITY OF HAWAII BOARD OF REGENTS TO STUDY THE REINTEGRATION OF THE OFFICE OF THE CHANCELLOR OF THE UNIVERSITY OF HAWAII AT MANOA WITH THE OFFICE OF THE PRESIDENT OF THE UNIVERSITY OF HAWAII SYSTEM," was jointly offered by Representatives Takai and Nishimoto.

H.R. No. 67, entitled: "HOUSE RESOLUTION REQUESTING A FINANCIAL AND MANAGEMENT AUDIT OF THE DEPARTMENT OF HAWAIIAN HOME LANDS," was offered by Representative Hanohano.

H.R. No. 68, entitled: "HOUSE RESOLUTION RECOGNIZING HAWAIIAN NATIONALS AS A POPULATION RESIDING LAWFULLY IN THE HAWAIIAN ISLANDS," was offered by Representative Hanohano.

H.R. No. 69, entitled: "HOUSE RESOLUTION URGING THE HAWAII STATE BAR ASSOCIATION TO MAKE RECOMMENDATIONS TO ADDRESS SECTION 560:2-804, HAWAII REVISED STATUTES. RELATING TO THE REVOCATION OF PROBATE AND NONPROBATE TRANSFERS BY DIVORCE OR TERMINATION OF RECIPROCAL BENEFICIARY RELATIONSHIPS," was offered by Representative Say, by request.

H.C.R. No. 93, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE UNIVERSITY OF HAWAII BOARD OF REGENTS TO STUDY THE REINTEGRATION OF THE OFFICE OF THE CHANCELLOR OF THE UNIVERSITY OF HAWAII AT MANOA WITH THE OFFICE OF THE PRESIDENT OF THE UNIVERSITY OF HAWAII SYSTEM," was jointly offered by Representatives Takai and Nishimoto.

H.C.R. No. 94, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HEALTH TO CONVENE A TASK FORCE TO EXPAND A SCHOOL GARDEN PROGRAM STATEWIDE," was jointly offered by Representatives Belatti, Awana, Cabanilla, Carroll, Coffman, Evans, Ichiyama, Jordan, Kawakami, McKelvey, Morikawa, Nakashima, Takumi, Wooley, Yamashita and Rhoads.

H.C.R. No. 95, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING A FINANCIAL AND MANAGEMENT AUDIT OF THE DEPARTMENT OF HAWAIIAN HOME LANDS," was offered by Representative Hanohano.

H.C.R. No. 96, entitled: "HOUSE CONCURRENT RESOLUTION RECOGNIZING HAWAIIAN NATIONALS AS A POPULATION RESIDING LAWFULLY IN THE HAWAIIAN ISLANDS," was offered by Representative Hanohano.

H.C.R. No. 97, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE HAWAII STATE BAR ASSOCIATION TO MAKE RECOMMENDATIONS TO ADDRESS SECTION 560:2-804, HAWAII REVISED STATUTES. RELATING TO THE REVOCATION OF PROBATE AND NONPROBATE TRANSFERS BY DIVORCE OR TERMINATION OF RECIPROCAL BENEFICIARY RELATIONSHIPS," was offered by Representative Say, by request.

H.C.R. No. 98, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE STATE OFFICE OF SOLID WASTE MANAGEMENT TO DEVELOP A PLAN OF INITIATIVES FOR IMPROVED REUSE AND RECYCLING OF GREEN WASTE BY WORKING WITH THE COUNTIES TO ADDRESS EACH COUNTY'S UNIQUE NEEDS ACCORDING TO THEIR GEOGRAPHY, POPULATION, AND UNIQUE INDUSTRY MAKE-UP," was offered by Representative Evans.

H.C.R. No. 99, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF THE ATTORNEY GENERAL TO CREATE AN EFFICIENT TRACKING METHOD FOR DEOXYRIBONUCLEIC ACID (DNA) RAPE KITS AND TO REDUCE THE TIME TO PROCESS THE RESULTS," was offered by Representative Evans.

#### ADJOURNMENT

At 1:27 o'clock p.m. on motion by Representative Evans, seconded by Representative Pine and carried, the House of Representatives adjourned until 12:00 o'clock noon tomorrow, Tuesday, March 13, 2012. (Representatives Carroll, Chang, Hanohano and Wooley were excused.)